

# Severn Trent Services

In Severn Trent Services, we are committed to doing business in a responsible way throughout the whole of the organisation.

## We have three major business groups

Our three major business groups are Water Purification, Operating Services and Analytical Services. Water Purification is a leader in developing advanced technologies and products focused on disinfection, filtration, arsenic removal and marine/offshore waste water treatment. Operating Services is a leader in operating and maintaining water and waste water treatment plants and networks around the world. Analytical Services is a leader in UK environmental water testing services.

## We have a clear strategy for growth

We are implementing a growth strategy that builds on our brand recognition and reputation, our strong market presence, our global scale and financial position and our advanced technologies.

To achieve this we are focusing on four key strategic initiatives.

- To continue the geographic expansion of our products and services
- To expand the scope of our operating services in both our home countries and other international markets
- To enhance our products and operations to improve our effectiveness and efficiency
- To continue to develop new technologies that are at the forefront of water and waste water treatment solutions

## Our corporate responsibility journey

We are working to continuously build corporate responsibility into our strategy so that it becomes an integrated part of our day to day business. The diversity and geographic spread of our three business groups means that our corporate responsibility agenda is very broad. Over the coming year, we plan to map our strategy and corporate responsibility issues in a similar way to Severn Trent Water to further embed corporate responsibility within our growth plans. While we undertake this work we continue to focus on a number of initiatives which support our corporate responsibility agenda:

- Business ethics
- Supply chain management
- Health and safety
- Reducing our carbon footprint
- Minimising environmental impact
- Investment in the community – specifically through employee volunteering

Our progress in these areas is reported to the Severn Trent Executive Committee and Corporate Responsibility Committee through a quarterly performance report alongside papers on specific aspects of our progress and future plans.

## Business ethics

All of our global sites receive the Severn Trent Plc Code of Conduct as well as policies relating to whistleblowing and anti-fraud and have access to a Safecall phone line. In addition, employee handbooks with all these details have been provided to sites in Abu Dhabi and Shanghai and have been translated into local languages. We have further plans to introduce these handbooks into Malaysia, Singapore and Egypt.

## Supply chain management

Within Water Purification a new supply chain process has been developed. In 2008/09 we began implementation of this process and plan to roll it out to all new suppliers in 2009/10. The process requires all new suppliers in Asia/Pacific, Middle East and North Africa regions to complete a supplier survey providing information, for example, on health and safety and environmental performance. Site visits to the suppliers are then conducted to validate the information.

## Health and safety

Providing a safe working environment is an absolute necessity and a bottom line requirement for the business. We also believe that if our employees are working safely then they are working more effectively and, as a result, our operations will in turn become more effective and efficient.

We have maintained our focus on improving health and safety in all areas of our business. In 2008/09, we succeeded in reducing the number of lost time incidents per 100,000 hours worked by 28% from 0.57 in 2007/08 to 0.41.

Using recognised standards helps us build strong health and safety systems within our businesses. Our Laboratories business has received recommendation for registration to Occupational Health and Safety OHSAS 18001:2007 certification. This covers five main operating laboratories as well as the field based teams. They will join all our other UK and Italian businesses already certified to the standard.



Our UK meter installation unit Integra achieved a silver award for Occupational Health and Safety performance from RoSPA. In the US, our Operating Services Arizona projects have also received a total of six safety awards from the Arizona Water Association.

## Reducing our carbon footprint

We maintained our focus this year on reducing energy consumption. In the US for example, we are producing Site Energy Management Plans for our larger plants. To date, we have produced six plans that have all led to reductions in energy use and, in turn, costs. At these sites we have been able to reduce our energy consumption related to the amount of waste water treated by between 9% and 26%.

## Minimising environmental impact

Through our work with clients and customers, we are able to help reduce their environmental impact through the provision of advanced technologies and products as well as achieving improvements in our own environmental performance.

Across Severn Trent Services we are seeking to minimise our own impact through the implementation and certification to ISO 14001:2004, the international standard for environmental management systems. UK Integra attained ISO 14001:2004

certification this year adding to the eight certifications already held by Severn Trent Services.

In Operating Services US, our Gilbert, Arizona facility won the Arizona Water Association's "Plant of the Year" Award in the large plant (waste water treatment plant) category for 2008. The Gilbert facility won the award for innovations and improvements in compliance, plant maintenance, metering and remote monitoring, and overcoming design deficiencies.

We are particularly well placed to help our clients and customers to improve their environmental performance through the development of new technology. For example, we have taken BalPure™, our patented system of ballast water treatment within ocean going vessels, from new design to shipboard testing and independent laboratory testing. With the International Maritime Organisation (IMO) regulation driving ballast water treatment (coming into effect in January 2010), BalPure™ has an exciting future to help reduce the level of pollution in our oceans.

We also introduced VEGA™, a new gas chlorinator vent exhaust arrestor. Launched in a number of countries in October 2008, this disposable non-hazardous way of keeping chlorine out of contained buildings has been well received by the market.



In February 2009, we received the Environmental Business Journal's (EBJ) Technology Merit Award in the water/waste water category of the Journal's Business Achievement Awards. This award recognises firms for their strong financial performance and growth as well as for specific projects or other business achievements which are

significant in the advancement of the environmental industry. We were recognised for two advances in municipal and industrial water and waste water treatment technology: a biological nutrient removal system and a microwave-based ultraviolet (UV) disinfection system.

### Investment in the community

Our involvement with our local communities is diverse with a wide range of activities undertaken by our employees. As a result, we launched "Employee Volunteer Awareness Month" in January 2009 to raise the profile and importance of time given to community initiatives and charities. Responses received globally from our employees highlighted the many diverse activities taking place within our businesses, facilities, offices, and employees. Some of the larger of these projects included:

- Analytical Services launched the Severn Trent Laboratories Community Involvement Program. The program is designed to support a range of local initiatives such as school projects, local charities and environmental projects.
- Water Purification Colmar, Pennsylvania undertook Water Conservation Presentations to fourth grade students at North Penn School District, Montgomery Elementary School. We hope these will change students behaviour towards the use of water.

- Operating Services US sponsored a learning opportunity in Houston, Texas where elementary school students were able to see how the elements of the water cycle are managed in their community; and gain an appreciation of how we can live responsibly to preserve nature. Ninety-five fourth grade students participated in the two day educational field trip. The field trip included a boat tour of the Port of Houston, lunch in the shadow of the San Jacinto Monument which commemorates the "birthplace of Texas", and a tour of the Kingwood Waste Water Treatment facility.

Other examples of initiatives to support our approach to corporate responsibility include:

In Operating Services UK, our Coast to Coast Water (C2C)<sup>7</sup> joint venture started an apprenticeship programme and achieved Investors in People accreditation recognising the importance that investing in our people makes to delivering a quality service. C2C currently has seven people undertaking a two year apprenticeship. The scheme will be reviewed and evaluated to assess future programmes.



**INVESTORS  
IN PEOPLE**

In 2007/08, we began a new business wide employee engagement plan. Focused initially on getting the views of our employees through an independent survey, over the last year we have been implementing improvement actions based on the results. In 2009/10 we will carry out further employee surveys to measure the effectiveness of these actions.



For more information about any issues in this summary report, please visit [www.severntrent.com/corporateresponsibility](http://www.severntrent.com/corporateresponsibility)

Alternatively, we would be happy to receive any feedback or answer any questions you may have via [corporate.responsibility@severntrent.co.uk](mailto:corporate.responsibility@severntrent.co.uk)